



**STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT**

Housing Division

**Housing Trust Fund
Guideline and Procedure Handbook**

July 2003

Department of Community, Trade and Economic Development
Housing Division
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TABLE OF CONTENTS

INTRODUCTION

CHAPTER 1 – STATUTORY CRITERIA

Section 100	Purpose	1-1
Section 101	Priorities	1-1
Section 102	Preferences	1-1
Section 103	Geographic Distribution	1-2
Section 104	Type of Award	1-2
Section 105	Eligible Applicant	1-2
Section 106	Eligible Activities	1-2
Section 107	Eligible Populations	1-3
Section 108	Affordability	1-4
Section 109	Minimum Length of Commitment	1-5
Section 110	Project Location	1-5
Section 111	Shared Appreciation	1-5
Section 112	Sale and Change of Use	1-5
Section 113	Leveraging	1-5
Section 114	Monitoring and Compliance	1-5

CHAPTER 2 – HOUSING TRUST FUND GUIDELINES

Section 200	Purpose	2-1
Section 201	Program Guidelines	2-1
201.1	Priorities	2-1
201.2	Preferences	2-1
201.3	Funding Limits	2-2
201.4	Geographic Distribution	2-2
201.5	Terms of Grants and Loans	2-2
Section 202	Eligibility Guidelines	2-4
202.1	Eligible Applicant	2-4
202.2	Eligible/Ineligible Project Type	2-4
202.3	Eligible Activities	2-5
202.4	Eligible Populations	2-5
202.5	Eligible/Ineligible Costs	2-5

Section 203	Project Guidelines	2-6
203.1	Affordability	2-6
203.2	Length of Commitment	2-7
203.3	Tenant Relocation	2-7
203.4	Project Location and Consistency with Local Plans.	2-7
203.5	Project Schedule	2-8
203.6	Project Design Elements	2-8
Section 204	Project Financial Guidelines	2-9
204.1	Construction Lending	2-9
204.2	Construction Contingency	2-9
204.3	Operating Expenses	2-9
204.4	Vacancy Rates	2-10
204.5	Reserves	2-10
204.6	Developer Fees	2-11
204.7	Debt Coverage Ratio	2-11
204.8	Subordination/Call Provisions	2-11
204.9	Funding Commitments/Leverage	2-12
Section 205	Project Documentation Guidelines	2-12
205.1	Market Study	2-12
205.2	Site Control	2-13
205.3	Phase 1 Environmental Site Assessment	2-14
205.4	Management Plan	2-14
205.5	Special Needs Documentation	2-15
205.6	Appraisal	2-15
205.7	Construction Cost Estimate	2-16
205.8	Capital Needs Assessment	2-16
205.9	Zoning and Consistency with Local Plans	2-16
205.10	Low Income Housing Tax Credit Documents	2-17
Section 206	Applicant Documentation Guidelines	2-17
206.1	Fiscal Soundness	2-17
206.2	Staff Skills and Experience	2-17
206.3	Board Composition	2-17
206.4	Board Resolution	2-17
Section 207	Application Intake, Evaluation, Award Guidelines	2-18
207.1	Stage 2 Application Intake	2-19
207.2	Stage 2 Application Format	2-19
207.3	Stage 2 Threshold Review	2-19

207.4	Project Review and Underwriting	2-20
207.5	Award of Funds	2-22
207.6	Appeals	2-22
Section 208	Contact Development and Contract Management Guidelines	2-22
208.1	Contract Development	2-22
208.2	Contract Management	2-23
208.3	Contract Amendments	2-24
208.4	Phase 1 Project Closeout	2-24
Section 209	Contract Compliance and Portfolio Management Guidelines	2-25
209.1	Annual Report	2-25
209.2	Risk Analysis	2-25
209.3	Monitoring	2-25
209.4	Project Problem Resolution Activities	2-25
209.5	Closeouts	2-25

CHAPTER 3 - APPLICATION INSTRUCTIONS, FORMS AND REVIEW PROCEDURES

Section 300	Purpose	3-1
Section 301	Project Summary Instructions	3-2
301.1	Eligible Applicant	3-2
301.2	Eligible Activity	3-3
301.3	Target Populations	3-4
301.4	Proposed Number of Units Per Size and Income Level	3-4
301.5	Permanent Capital Funding Sources and Total Development Costs	3-4
301.6	Signature of Authorized Official	3-4
Section 302	Questions Regarding Project Design	3-4
302.1	Project Description	3-4
302.2	Site and Project Readiness	3-4
302.3	Project Schedule	3-4
302.4	Tenant Relocation Plan	3-5
302.5	Linkage with Local Plans	3-5
Section 303	Questions Regarding How the Project Meets the Needs of the Target Population	3-5
303.1	Need for Project	3-5
303.2	Duration of Low Income Benefit	3-5

Section 304	Questions Regarding Project Financial Feasibility	3-5
304.1	Development Budget	3-5
304.2	Development Budget Narrative	3-5
304.3	Residential Unit Cost and Financing Detail	3-6
304.4	Estimate of Cash Flow During Development	3-6
304.5	Proposed Rent Levels	3-6
304.6	Operating Pro Forma	3-6
304.7	Details Of Operating Budget Revenues and Expenses	3-7
304.8	Details of Service Revenue and Expenses	3-7
Section 305	Organizational Capacity of Applicant	3-7
305.1	Management Plan	3-7
305.2	Experience of Applicant/Development/Management Team	3-7
305.3	Financial Capability of Applicant	3-7
Section 306	HFU Application Intake, Threshold, Evaluation, and Award Procedures	3-7
306.1	Intake	3-8
306.2	Application Format and Review	3-8
306.3	Threshold Review	3-8
306.4	Project Review and Underwriting	3-12
Section 307	Award of Funds	3-18
307.1	Notification	3-18
Section 308	Reconsiderations	3-19
Section 309	Housing Trust Fund Application Forms	3-20
	Threshold Checklist	
	Table of Contents/Checklist	
Form 1	Project Summary	
Form 2	Project Description	
Form 3	Site and Project Readiness	
Form 4	Project Schedule	
Form 5	Tenant Relocation Plan	
Form 6	Linkage with Local Plans and Programs	
Form 7	Need for Project	
Form 8	Support Services for Special Needs	
Form 9A	Development Budget: Residential	
Form 9B	Development Budget: Non-Residential	
Form 9C	Development Budget: Residential Narrative	
Form 10A	Financing Detail	
Form 10B	Data and Bridge and Permanent Financing	
Form 11A	Estimate of Cash Flow During Development	

Form 11B	Estimate of Cash Flow During Development: Sample
Form 12	Proposed Rent Levels
Form 13A	Operating Pro Forma
Form 13B	Details of Operating Budget Revenue and Expenses
Form 14	Details of Service Revenue and Expenses
Form 15	Management Team and Management Plan
Form 16A	Experience of Applicant/Development Team
Form 16B	Projects Completed and Under Development
Form 17	Financial Capacity of Applicant
Form 18A	Operating and Maintenance Worksheet
Form 18B	Operating and Maintenance Worksheet Sample

Section 310	Operating and Maintenance Fund	3-21
310.1	Background and Purpose	3-22
310.2	Program Focus	3-22
310.3	Eligible Projects	3-22
310.4	Eligible Applicants	3-22
310.5	Geographic Distribution of Funds	3-22
310.6	Funding Limits	3-23
310.7	Tenant Rents	3-23
310.8	Adjustments to Gross Income	3-23
310.9	Non-Subsidized Units	3-23
310.10	Tenant Paid Utilities	3-23
310.11	Management Plan and Maintenance Plan	3-24
310.12	Operating Budget and Use of Funds	3-24
310.13	Project Selection	3-25
310.14	Subsidy Term	3-25
310.15	Annual Reviews	3-25
310.16	Subsidy Payments and Adjustments	3-26

CHAPTER 4 – CONTRACT DEVELOPMENT AND MANAGEMENT PROCEDURES

Section 400	Purpose	4-1
Section 401	Contract Development	4-1
401.1	Contractor Training	4-1
401.2	Project Data Sheet	4-1
401.3	Contract Manager	4-2
401.4	Assistant Attorney General Review	4-2
401.5	Recipient Signature	4-2
401.6	Document Processing	4-2
401.7	Promissory Note	4-3
401.8	Contract Execution Date	4-3
Section 402	Contract Management	4-3
402.1	Signature Authorization	4-3
402.2	Site Visits	4-3

402.3	Desk Monitoring	4-4
402.4	Administrative Fee and Inspection Fee	4-4
402.5	Voucher Request Processing	4-4
402.6	Project Documentation	4-5
Section 403	Contract Amendment	4-6
403.1	Technical Amendments	4-6
403.2	Monetary Amendments	4-6
Section 404	Phase 1 Closeout	4-7
404.1	Timing	4-7
404.2	File Review	4-7
404.3	Site Visit	4-7
404.4	Payment of Retainage	4-7
404.5	Letter of Findings	4-8
	Exhibit 4-1A Contract Flow Chart	
	Exhibit 4-1B Contract Flow Chart (cont.)	
	Exhibit 4-2 WCRA flow Chart	
	Exhibit 4-3 Project Data Sheet	
	Exhibit 4-4 Signature Authority	
	Exhibit 4-5 Electronic Funds Transfer	
	Exhibit 4-6 Tax Payment Data	
	Exhibit 4-7 Invoice Voucher	
	Exhibit 4-8 Amendment Flow Chart	
	Exhibit 4-9 Amendment Application Form	
	Exhibit 4-10 Phase 1 closeout Checklist	

CHAPTER 5 - COMPLIANCE AND PORTFOLIO MANAGEMENT

Section 500	Monitoring Housing Contractors	5-1
Section 501	Annual Report	5-1
501.1	Annual Report Form	5-1
501.2	Instructions for the Annual Report Form	5-1
Section 502	Risk Analysis	5-1
Section 503	Monitoring	5-2
503.1	Monitoring Schedule	5-2
503.2	Monitoring Visits	5-3
503.3	Monitoring Visit Follow-up Activities	5-4
Section 504	Project Problem Resolution Activities	5-4
504.1	Intervention Levels	5-4
Section 505	Closeouts	5-5

Exhibit 5-1	Risk Factors for Poor Performance or Compliance Violations	
Exhibit 5-2	U.S. Department of Housing and Urban Development Uniform Physical Conditions Standards Checklist	

CHAPTER 6 - APPLICATION INSTRUCTIONS AND FORMS FOR HOMEOWNERSHIP APPLICATIONS

Section 600	Purpose	6-2
600.1	Fund Availability and Schedule	6-2
600.2	Application Instructions	6-2
600.3	Stage 1	6-2
600.4	Stage 4	6-3
Section 601	Project Summary Instructions (Form 1)	6-4
601.1	Eligible Applicant	6-4
601.2	Eligible Activities	6-4
601.3	Target Populations	6-4
601.4	Proposed Number of Units per Size and Income Level	6-4
601.5	Permanent capital Funding Sources and Total Development Costs	6-5
601.6	Original Signature of Authorized Official	6-5
Section 602	Questions Regarding Project Design and How Project Meets the Needs of the Target Population	6-5
602.1	Project Description	6-5
602.2	Site and Project Readiness	6-5
602.3	Project Schedule	6-5
602.4	Tenant Relocation Plan	6-5
602.5	Linkage with Local Plans and Programs	6-5
Section 603	Questions Regarding Project Financial Feasibility	
603.1	Development Budget	6-6
603.2	Development Budget Narrative	6-6
603.3	Residential Unit Cost and Financing Detail	6-6
603.4	Estimate of Cash Flow During Development	6-6
603.5	Affordable Home Buyer Worksheet	6-7
603.6	Down Payment Assistance Budget and Rehabilitation Assistance Budget	6-7
Section 604	Organizational Capacity of Applicant	6-7
604.1	Management Team and Management Plan	6-8
604.2	Experience of Applicant/Development/Management Team	6-8
604.3	Financial Capacity of Applicant	6-8
604.4	Revolving Loan fund	6-5

Section 605 Housing Trust Fund Application Forms

Form 1	Project Summary
Form 2	Project Description
Form 3	Homebuyer Education and Counseling
Form 4	Site and Project Readiness
Form 5	Project Schedule
Form 6	Need for Project
Form 7	Tenant Relocation Plan
Form 8	Linkage With Local Plans and Programs
Form 9A	Residential Development Budget
Form 9B	Non-Residential Development Budget
Form 9C	Residential Development Budget Narrative
Form 10A	Financing Details
Form 10B	Residential Per Unit Cost Data and Bridge to Permanent Financing
Form 11A	Estimate of Cash Flow during Development
Form 11B	Estimate of Cash Flow during Development (SAMPLE)
Form 12	Affordable Home Buyer Worksheet
Form 13A	Homeownership Project Down Payment Assistance Budget
Form 13B	Homeownership Project Rehabilitation Assistance Budget
Form 14	Management Team and Management Plan
Form 15	Experience of Applicant/Development Team
Form 16	Projects Completed and Under Development
Form 17	Financial Capacity of Applicant
Form 18	Revolving Loan Fund Activity Spreadsheet

CHAPTER 7 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING ENHANCEMENT PRE-APPLICATION

Overview	7-1
Pre Application Phase	7-2
Application Phase	7-2
Application Submittal	7-3
Housing Enhancement Grant Fact Sheet	7-4
Eligible Applicants	7-4
Eligible Activities	7-5
Ineligible Activities	7-5
Funding Levels	7-5
Project Summary Form	7-6
Citizen Participation Requirements	7-8
Federal Citizen Participation Requirements	7-11
Sample Grievance Procedure	7-12
Sample Public Hearing Notice	7-13
CDBG Project Budget Form	7-14
Contact List	7-19
Pre Application Checklist	7-20

GLOSSARY

INTRODUCTION

The Housing Trust Fund (HTF) Guidelines and Procedures Handbook (handbook) is the result of the combined efforts of the Department of Community, Trade and Economic Development (CTEDCTED) staff and stakeholders. The handbook was developed and revised in consultation with stakeholders, the Policy Advisory Team, a subcommittee of the Affordable Housing Advisory Board, Housing Division staff, and CTED management. We appreciate the wealth of input that we received in the development of this handbook.

The Housing Division of CTED developed this handbook to guide applicants through the HTF application and administration processes and to assist CTED staff in reviewing, evaluating and underwriting proposals. This handbook contains statutory criteria, guidelines and procedures regarding the awarding, contracting and monitoring of a portion of HOME Program funds and all capital bond funds, excluding funds used for the Energy Matchmakers program.

We recognize that the handbook is a living document. As such, the format and content of the document may be revised as necessary. The handbook is effective for the Fall 2003 HTF funding round.

The handbook presents guidelines governing applicant and project eligibility, application requirements, and project funding criteria. The procedures cover areas including but not limited to the application process, project management, and long-term portfolio management. The handbook is arranged in chapters that include the statutory criteria, the application process, and the management of projects. The chapters are in chronological order to guide the applicants through HTF guidelines and procedures. The chapters are divided into sections to provide greater detail about the requirements of the program. Definitions of commonly used terms are located in the glossary. Required forms are labeled as such throughout this handbook.

Funds Available

Funds available for the Fall 2003 funding round include:

- | | |
|---|----------------------|
| • HTF | \$12,000,000 |
| • Farmworker Housing Program | \$3,942,358* |
| • Homeless Families With Children Program: | Up to \$3 million |
| • HOME Investment Partnerships Program (federal): | \$400,000 |
| • Persons With Developmental Disabilities: | Up to \$ 3 million |
| • Self-Help Homeownership: | Up to \$ 1.5 million |
| • Survivors of Domestic Violence | \$ 745,888 |

* Since farmworker housing funds are available on an open door basis, this amount represents funds remaining for the 2003-05 biennium.

- **Housing Trust Fund:** Funds will be used to acquire, construct and rehabilitate a variety of housing types for households earning less than 80 percent of the Area Median Income (AMI). These funds will be awarded through the HTF application process.
- **Farmworker Housing Program:** Funds will be used for the creation of permanent and seasonal farmworker housing. Projects must benefit farmworkers whose income level is at or below 50 percent of the county median income. Seasonal Housing for migrant workers is prioritized for funding. Organizations may apply for these funds on an open door basis.
- **Homeless Families with Children Program:** These funds will be used for the creation of units of emergency shelter and transitional housing for homeless families with children. These funds will be awarded through the HTF application process.
- **HOME Program:** These federal funds will be awarded to successful HOME Program-eligible projects that can meet federal guidelines. HOME Program funds will be awarded through the HTF application process.
- **Persons With Developmental Disabilities Program:** Funds are provided to house people eligible for services from Department of Developmental Disabilities and Department of Social and Health Services. Such funds will be awarded through the HTF application process.
- **Self-Help Homeownership:** Funds are used by non-profits housing developers to create and sustain revolving loan funds for the construction of self-help homeownership housing for low and moderate-income households. The funds will be awarded through the HTF application process.
- **Survivors of Domestic Violence:** Funds are used to provide housing for survivors of domestic violence in shelter, transitional and other housing projects. Such funds will be awarded through the HTF application process.

Other Funding Sources

- **Predevelopment Financing:** Nonprofit applicants may apply for funding to cover essential predevelopment costs through Impact Capital. Impact Capital administers a program that provides risk capital for low income housing development projects through loans and recoverable grants.

For more information regarding these funds, contact:

- **In King / Pierce County:** Angie McCarrel at (206) 587-3200 ext 106
- **In Western Washington outside King / Pierce County:** Mark Ellerbrook at (206) 587-3200 ext 109.
- **In Eastern or Central Washington:** Terri Symbol at (509) 456-8088
- **Housing Enhancement Funds (see Chapter 7):** Funding is available from the Community Development Block Grant (CDBG) Program for 2003 to provide companion funding for projects that have been selected to receive grants or loans from the HTF. Farmworker Housing projects are also eligible to receive funding through the Housing Enhancement program. The purpose of the Housing Enhancement Program is to streamline the financing of eligible housing projects that may need additional funding in order to be successful. Requests for CDBG funds are considered at the same time as applications to the HTF.

CDBG Housing Enhancement funds are available to cover project costs that cannot be paid for using HTF dollars. Examples of eligible costs include **off-site** infrastructure that is essential to a housing project and is considered an ineligible cost to the HTF.

Housing Enhancement funds can also be used to pay for the non-housing costs of projects that are an integral part of a comprehensive project. An example would include the costs of a day care facility that has been incorporated into the design of a project that is requesting HTF support.

Eligible recipients of CDBG Housing Enhancement grants are cities and towns with less than 50,000 population or counties with less than 200,000 population provided that the cities, towns and counties do not participate in a U. S. Department of Housing and Urban Development Consortium. Applicants to the HTF that are not eligible to receive CDBG Enhancement funds directly, such as local housing authorities, tribal housing organizations, or local nonprofit developers, must apply through the eligible jurisdiction where the project is or will be located. Eligible applicants must meet all federal requirements of the CDBG program including the completion of project related citizen participation activities and funding disclosure report.

The review of CDBG Housing Enhancement applications includes the determination by CDBG and Housing Finance Unit staff that the amount of assistance being requested is funding a clearly defined gap between the amount of funds necessary to complete a project and all other potential funding sources. Use of CDBG Enhancement funds must be determined to be both necessary and appropriate within the scope and proposed use of a HTF Project.

HTF applicants that wish to be considered for CDBG Housing Enhancement funds must have the certified support of an eligible local government in advance of the HTF

application due date. Potential applicants for CDBG funds are also encouraged to contact CDBG staff prior to submitting an HTF application to discuss CDBG requirements and funding availability. CDBG staff are available to assist in providing information regarding local certification and citizen participation requirements. Contact Dwight Edwards, at (360) 725-3011, or e-mail him at dwighte@cted.wa.gov.

Housing Division Staff Contacts for Application Information

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Cheryl Bayle, Services Enriched Housing,.....(360) 725-2997
Homeless Families With Children, Survivors of Domestic Violence
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Gregory Black, Rental Housing, Farmworker Housing.....(360) 725-2916
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e-mail: dough@cted.wa.gov

Janice Navarre, Homeownership, Developmental Disabilities.....(360) 725-2934
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Richard Penton, Rental Housing, Senior Housing.....(360) 725-2937
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*Housing Division Fax Number(360) 586-5880

*No faxed or electronic submittals of applications will be accepted.

Application Assistance

The above staff are available to provide information about the application and funding requirements to project developers. Staff can address questions concerning HTF guidelines and procedures. Applicants have the sole responsibility for drafting HTF applications. Predevelopment assistance may be available from Impact Capital as noted earlier in this document.

Before you begin preparing a HTF application, we recommend that you proceed as follows:

- Review the HTF Guidelines and Procedures Handbook thoroughly to understand HTF guidelines and procedures.

- If you have questions, call one of the above staff for more clarification. Also check the Housing Division website at <http://housing.CTED.wa.gov> where a Question and Answer section will be posted and updated regularly. Please call staff with questions **before the application due date.**

Application Schedule

August 15, 2003

Stage 1 documents due to CTED Housing Division by 5:00 p.m. (see Section 306.3)

September 17, 2003

Stage 2 documents due to CTED Housing Division by 5:00 p.m. (see Section 306.3)

Allow adequate delivery time – Stage 1 and 2 application materials will not be accepted after 5:00 p.m. on the dates indicated. No exceptions.

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December 17, 2003

Final Funding Decisions